

AMENDED IN SENATE APRIL 13, 1998

**SENATE BILL**

**No. 2233**

**Introduced by Committee on Revenue and Taxation  
(Senators Alpert (Chair), Greene, Karnette, Lee, and  
McPherson)**

March 3, 1998

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An act to amend ~~Sections 27282 and~~ *Section* 53356.2 of the Government Code, to amend Sections 2196, 2910.1, 3372, 3691.1, 3691.2, 3691.4, 3691.5, 3692, 3694, 3700, 3701, 3708, 3731, 3793.1, 4101.5, 4106, 4112, 4807, and 4992 of, to add Section 3691.6 to, and to repeal Sections 3446, 3447, 3448, 3715, 4803, and 4839 of, the Revenue and Taxation Code, and to amend Section 8833 of the Streets and Highway Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 2233, as amended, Committee on Revenue and Taxation. Tax administration.

Existing law requires a local agency or legislative body responsible for certain foreclosure actions to take certain actions with respect to delinquent installments.

This bill would make corrective changes by changing references to "county auditor" in lieu of "tax collector."

Existing property tax law provides for specified procedures and actions by the Controller in connection with the sale of tax-defaulted property.

This bill would revise, delete, or make technical and clarifying changes to those provisions, including provisions

relating to notices, certain required statements, reports, recordation, rescission, and specified documents, as provided.

Existing property tax law provides for the redemption of tax-defaulted property.

This bill would allow a county to recover the actual cost of providing a default notice to the property owner. It would also allow certain fees to become a part of the redemption amount.

Existing property tax law requires a county official to provide certain information with respect to tax defaulted property.

This bill would delete the requirement that the information also include the street address of the property.

Existing property tax law sets forth certain amounts to be included in the sales price of tax defaulted property.

This bill would authorize the tax collector to establish a minimum price for the property, as provided.

Existing property tax law ~~provides that certain documents may be recorded without acknowledgement, certificate of acknowledgement, or further proof~~ *requires a county tax collector to record a specified document in connection with an invalid tax lien on real property.*

This bill would ~~include the removal of an invalid lien among those documents specify signature requirements with respect to a document that is so recorded.~~

Existing property tax law requires a tax collector to mail a tax bill for every assessment on the unsecured roll, as provided.

This bill would eliminate that requirement where the total tax bill due is too small, as specified.

Existing property tax law provides that certain legal procedures shall not prevent or enjoin the collection of property taxes sought to be collected.

This bill would ~~provide that~~, in the case of a collection of taxes pursuant to a bankruptcy proceeding, ~~the~~ *authorize a county* ~~shall be allowed to collect to request~~ a reasonable amount of attorney's fees.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 27282 of the Government Code~~  
2     ~~is amended to read:~~

3     ~~27282. (a) The following documents may be~~  
4     ~~recorded without acknowledgment, certificate of~~  
5     ~~acknowledgment, or further proof:~~

6     ~~(1) A judgment affecting the title to or possession of~~  
7     ~~real property, authenticated by the certificate of the clerk~~  
8     ~~of the court in which the judgment was rendered.~~

9     ~~(2) A notice of location of mining claim.~~

10    ~~(3) Certificates of amounts of taxes, interest and~~  
11    ~~penalties due, notices of state tax liens and extensions~~  
12    ~~thereof executed by the state, county, or city taxing~~  
13    ~~agencies or officials pursuant to Chapter 14~~  
14    ~~(commencing with Section 7150) of Division 7 of Title 1~~  
15    ~~of the Government Code, and Sections 2191.3, 2191.4, and~~  
16    ~~11495 of the Revenue and Taxation Code, and releases,~~  
17    ~~partial releases, removal of an invalid lien, and~~  
18    ~~subordinations executed pursuant to Chapter 14~~  
19    ~~(commencing with Section 7150) of Division 7 of Title 1~~  
20    ~~of the Government Code, and Sections 2191.4, 11496,~~  
21    ~~14307, and 14308 of the Revenue and Taxation Code.~~

22    ~~(4) Notices of lien for postponed property taxes~~  
23    ~~executed pursuant to Section 16182.~~

24    ~~(5) A release, discharge, or subordination of a lien for~~  
25    ~~postponed property taxes as authorized by Chapter 6~~  
26    ~~(commencing with Section 16180) of Part 1 of Division 4~~  
27    ~~of Title 2.~~

28    ~~(6) A fixture filing as defined by paragraph (b) of~~  
29    ~~subdivision (1) of Section 9313 of the Commercial Code.~~

30    ~~(7) An order affecting title to or possession of real~~  
31    ~~property issued by a court in an action subject to Section~~  
32    ~~12527, authenticated by the certificate of the clerk of the~~  
33    ~~court in which the order was issued or a copy of that order~~  
34    ~~authenticated by a declaration under penalty of perjury~~  
35    ~~by the Attorney General or by an assistant or deputy of~~  
36    ~~the Attorney General attesting that the contents of the~~  
37    ~~copy are the same as the original order issued by the~~  
38    ~~court.~~

1 ~~(8) A court certified copy of a satisfaction of judgment.~~

2 ~~(b) Any document described in this section, from the~~  
3 ~~time it is filed with the recorder for record, is constructive~~  
4 ~~notice of the contents thereof to subsequent purchasers~~  
5 ~~and mortgagees.~~

6 ~~SEC. 2.—~~

7 *SECTION 1.* Section 53356.2 of the Government  
8 Code is amended to read:

9 53356.2. (a) When any foreclosure actions are  
10 ordered by the local agency or legislative body, or when  
11 subsequent installments and interest that are also to be  
12 made the subject of a foreclosure action thereafter  
13 become delinquent, and the foreclosure action is not  
14 commenced and a notice of pendency of action is not  
15 concurrently recorded, prior to the actual removal of the  
16 delinquent installment from the tax roll, the local agency  
17 or legislative body responsible for the foreclosure action  
18 on the delinquent installment shall do one of the  
19 following:

20 (1) Prior to the actual removal of the delinquent  
21 installment from the tax roll, the local agency or  
22 legislative body shall record or cause to have recorded in  
23 the county recorder's office in the county in which the  
24 real property is located, a Notice of Intent to Remove  
25 Delinquent Special Tax Installment from the Tax Roll,  
26 which contains the information set forth in subdivision  
27 (b). If action is taken under this paragraph, all of the  
28 following apply:

29 (A) Upon presentation of written proof of the  
30 recordation and a request for removal by the local agency  
31 or legislative body, the county auditor shall remove the  
32 delinquent installments from the tax roll. "Proof of  
33 recordation" includes, but is not limited to, a certified  
34 copy of the notice set forth in subdivision (b), or a copy  
35 of the recorded notice containing the county recorder's  
36 assigned document number, or a copy of the recorded  
37 notice containing a copy stamp from the office of the  
38 county recorder.

39 (B) From the date of the recordation, the county  
40 auditor shall be credited upon the current tax roll with

1 the amount charged against him or her on account of the  
2 delinquent special tax installment. If any person pays the  
3 delinquent installment referred to in the Notice of Intent  
4 to Remove Delinquent Special Tax Installment from the  
5 Tax Roll to the county auditor prior to or subsequent to  
6 the actual removal of that delinquent installment from  
7 the tax roll, the county auditor shall forward that payment  
8 to the local agency or legislative body responsible for the  
9 foreclosure action.

10 (C) From the date of recordation pursuant to this  
11 section, the special tax installment, and interest thereon,  
12 and penalties, costs, fees, and other charges accrued  
13 under applicable statutes, that are to be collected in a  
14 foreclosure action, shall no longer be collectible by the  
15 county auditor.

16 (D) The county auditor, in addition to the costs  
17 recovered in foreclosure, may charge the actual costs  
18 incurred in removing these sums from the tax roll or the  
19 performance of any other related duties as set forth in this  
20 section.

21 (E) Installments, interest, penalties, costs, fees, and  
22 other charges that do not become the subject of a  
23 foreclosure action shall remain collectible by the county  
24 auditor as otherwise provided by applicable law.

25 (2) As an alternative to the notice requirement set  
26 forth in paragraph (1), the Counties of San Bernardino  
27 and Riverside may, simultaneously with the removal of  
28 the delinquent special tax installment from the secured  
29 tax roll, provide notification on the secured tax roll that  
30 the installment has been removed from the roll for each  
31 parcel for which the delinquent special tax installment  
32 was removed. The notice shall be displayed in a manner  
33 which conveys that the removal has occurred, and shall  
34 include the name and telephone number of the person or  
35 entity to be contacted to receive further information.

36 (b) The Notice of Intent to Remove Delinquent  
37 Special Tax Installment from the Tax Roll shall be  
38 completed and recorded by or caused to be recorded by  
39 the local agency or legislative body responsible for the  
40 foreclosure action, and shall contain all of the following:

(1) The name of the local agency or legislative body, city, or other assessment district responsible for the foreclosure action.

(2) The legal description or assessor's parcel number of the property affected by the notice.

(3) The specific tax year and installment intended to be removed from the tax roll.

(4) The title, address, and telephone number of the employee, city official, or other authorized official who should be contacted regarding the delinquent assessment installment amount.

(5) The name of the owner shown on the last equalized assessment roll.

(c) Any local agency or legislative body that removed or caused to be removed a delinquent special tax installment from the ad valorem tax roll prior to January 1, 1997, shall record, by July 1, 1997, a Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll or shall request the tax collector to retain the notice of delinquent special tax installment on the tax roll as set forth in paragraph (2) of subdivision (a). If the foreclosure action has been filed and a notice of pendency of action has been recorded in the county recorder's office prior to July 1, 1997, this requirement does not apply.

(d) All costs associated with the county auditor's and local agency's or legislative body's responsibilities as set forth in this section shall be recoverable by the local agency or legislative body through the foreclosure action.

(e) The recording of a notice of pendency of action in the county recorder's office in the county in which the real property is located, concurrent with the commencement of a foreclosure action ordered by the local agency or legislative body and commenced prior to the actual removal from the tax roll of the delinquent installment which is the subject of the foreclosure action, constitutes compliance with the notice requirements of this section.

*SEC. 2. Section 2196 of the Revenue and Taxation Code is amended to read:*

2196. (a) If the tax collector determines, following the presentation of evidence by the owner or assessee of real property, that a lien on that property for unpaid taxes, assessments, fees, or charges levied by a local public entity has been erroneously filed for recordation, the tax collector shall send a document to the recorder stating the facts ~~which~~ *that* indicate the erroneous filing. The document shall be clearly labeled with the words “Removal of Invalid ~~Lien.~~” *Lien,” and shall be signed by either the tax collector or his or her deputy.*

(b) The recorder shall mail the original “Removal of Invalid Lien” document to the owner of the property after recording the document.

(c) For purposes of this section, “local public entity” means a county, a city, or a district.

SEC. 3. Section 2910.1 of the Revenue and Taxation Code is amended to read:

2910.1. The tax collector may, no later than 30 days prior to the date on which taxes are delinquent and as soon as reasonably possible after receipt of the extended assessment roll, mail a tax bill for every assessment on the unsecured roll on which taxes are due, unless the total tax bill amount due is too small to justify the cost of collection. Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section in this code shall be canceled if the assessee convinces the tax collector that he or she did not receive the tax bill mailed to the address provided on the roll. This requirement need not be met where the total tax bill amount due is too small to justify the cost of collection. Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section in this code shall be canceled if the assessee convinces the tax collector that he or she did not receive the tax bill mailed to the address provided on the roll.

1 SEC. 4. Section 3372 of the Revenue and Taxation  
2 Code is amended to read:

3 3372. The notice shall show:

4 (a) The affidavit of tax default.

5 (b) The fact that the real property may be redeemed  
6 by the payment of the amount of defaulted taxes together  
7 with ~~such~~ *those* additional penalties and fees as  
8 prescribed by law, or that the real property may be  
9 redeemed under an installment plan of redemption.

10 (c) The official who will furnish all information  
11 concerning redemption.

12 (d) The following information relating to each  
13 assessment of tax-defaulted property:

14 (1) The name of the assessee, and where there is more  
15 than one valuation the name of the assessee need be listed  
16 only once. For the purposes of this section, the name of  
17 the assessee may be the name of the assessee as shown on  
18 the current roll.

19 (2) The description of the property.

20 (3) The total amount which was originally declared in  
21 default.

22 This information required to be published is the  
23 “published delinquent list.” If any tax-defaulted property  
24 is redeemed, the information relating to the property  
25 may be omitted from any publication.

26 SEC. 5. Section 3446 of the Revenue and Taxation  
27 Code is repealed.

28 SEC. 6. Section 3447 of the Revenue and Taxation  
29 Code is repealed.

30 SEC. 7. Section 3448 of the Revenue and Taxation  
31 Code is repealed.

32 SEC. 8. Section 3691.1 of the Revenue and Taxation  
33 Code is amended to read:

34 3691.1. The tax collector shall execute a notice  
35 whenever a parcel becomes subject to the power of sale  
36 set forth in Section 3691 on a form prescribed by the  
37 Controller. The county clerk shall take acknowledgment  
38 of the notice without charge.

39 SEC. 9. Section 3691.2 of the Revenue and Taxation  
40 Code is amended to read:

1 3691.2. The notice shall specify:

2 (a) That five years or more have elapsed since the  
3 taxes or assessments on the parcel were declared in  
4 default.

5 (b) That the property was duly assessed for taxation  
6 and the tax legally levied.

7 (c) That the property is subject to sale for nonpayment  
8 of taxes.

9 (d) The amount of taxes originally declared to be in  
10 default, unless there has been a partial cancellation of  
11 taxes, a redemption from a portion thereof, or a  
12 correction under Sections 4831.5 and 4876.5, in any of  
13 which events, the amount shall be the balance remaining.

14 (e) A metes and bounds or lot-block-tract description  
15 of the property.

16 SEC. 10. Section 3691.4 of the Revenue and Taxation  
17 Code is amended to read:

18 3691.4. The notice shall be recorded with the county  
19 recorder. After recordation, the notice shall be forwarded  
20 to the tax collector. The recorder shall make no charge for  
21 the recording.

22 SEC. 11. Section 3691.5 of the Revenue and Taxation  
23 Code is amended to read:

24 3691.5. The tax collector shall file the notice in his or  
25 her office and keep a record to show the subsequent  
26 disposition of the property.

27 SEC. 12. Section 3691.6 is added to the Revenue and  
28 Taxation Code, to read:

29 3691.6. Upon request of the Controller, the tax  
30 collector shall report the disposition of all tax defaulted  
31 parcels subject to tax collections power to sale in his or her  
32 county.

33 SEC. 13. Section 3692 of the Revenue and Taxation  
34 Code is amended to read:

35 3692. (a) The tax collector shall attempt to sell  
36 tax-defaulted property as provided in this chapter within  
37 four years of the time that the property becomes subject  
38 to sale for nonpayment of taxes unless by other provisions  
39 of law the property is not subject to sale. If there are no  
40 acceptable bids at the attempted sale, the tax collector

1 shall attempt to sell the property at intervals of no more  
2 than six years until the property is sold.

3 (b) When oil, gas, or mineral rights are subject to sale  
4 for nonpayment of taxes, the tax collector may offer the  
5 interest at minimum bid to the holders of outstanding  
6 interests where the interest subject to sale is a partial  
7 interest or, where the interest subject to sale is a complete  
8 and undivided interest, to the owner or owners of the  
9 property to which the oil, gas, or mineral rights are  
10 appurtenant.

11 (c) When parcels that are rendered unusable by their  
12 size, location, or other conditions are subject to sale for  
13 nonpayment of taxes, the tax collector may offer the  
14 parcel at a minimum bid to owners of contiguous parcels.  
15 The tax collector shall require that the successful bidder  
16 request the assessor and the planning director to combine  
17 the unusable parcel with his or her own parcel as a  
18 condition of sale.

19 (d) Sealed bid sale procedures shall be used when  
20 offers are made pursuant to subdivision (b) or (c), and  
21 the property shall be sold to the highest eligible bidder.  
22 The offers shall remain in effect for 30 days or until notice  
23 is given pursuant to Section 3702, whichever is later.

24 (e) The original notice shall indicate that any parcel  
25 remaining unsold may be resold within a 90-day period  
26 and any new parties of interest shall be notified in  
27 accordance with Section 3701. This subdivision shall not  
28 apply to properties sold pursuant to Chapter 8  
29 (commencing with Section 3771).

30 SEC. 14. Section 3694 of the Revenue and Taxation  
31 Code is amended to read:

32 3694. A sale under this chapter shall take place only if  
33 approved by the board of supervisors.

34 SEC. 15. Section 3700 of the Revenue and Taxation  
35 Code is amended to read:

36 3700. Upon providing notice to the board of  
37 supervisors as required by Section 3698, the tax collector  
38 shall forward one copy to the clerk or secretary of the  
39 governing board of each taxing agency, other than the  
40 county, having the right to levy taxes or assessments on

1 the property. The copy or copies shall be mailed or  
2 delivered at least 30 days before the first publication or  
3 posting of the notice of intended sale. However, where  
4 the tax collector has on file a consent from each taxing  
5 agency, the tax collector may proceed to publish or post  
6 the notice of sale.

7 SEC. 16. Section 3701 of the Revenue and Taxation  
8 Code is amended to read:

9 3701. Not less than 45 days nor more than 120 days  
10 before the proposed sale, the tax collector shall send  
11 notice of the proposed sale by certified mail with return  
12 receipt requested to the last known mailing address, if  
13 available, of parties of interest, as defined in Section 4675.  
14 The notice shall state the date, time, and place of the  
15 proposed sale, the amount required to redeem the  
16 property, and the fact that the property may be  
17 redeemed up to the close of business on the last business  
18 day prior to the date of sale, and information regarding  
19 the rights of parties of interest to claim excess proceeds,  
20 as defined in Section 4674, if the property is sold and  
21 excess proceeds result from that sale.

22 The tax collector shall make a reasonable effort to  
23 obtain the name and last known mailing address of parties  
24 of interest.

25 The validity of any sale under this chapter shall not be  
26 affected if the tax collector's reasonable effort fails to  
27 disclose the name and last known mailing address of  
28 parties of interest or if a party of interest does not receive  
29 the mailed notice.

30 SEC. 17. Section 3708 of the Revenue and Taxation  
31 Code is amended to read:

32 3708. On receiving the full purchase price at any sale  
33 under this chapter, the tax collector shall, without charge,  
34 execute a deed to the purchaser.

35 SEC. 18. Section 3715 of the Revenue and Taxation  
36 Code is repealed.

37 SEC. 19. Section 3731 of the Revenue and Taxation  
38 Code is amended to read:

39 3731. (a) When a tax deed to a purchaser of property  
40 sold by the tax collector pursuant to this part is recorded

1 and it is determined that the property should not have  
2 been sold, the sale may be rescinded by the board of  
3 supervisors with the written consent of the county legal  
4 adviser and the purchaser of the property under any of  
5 the following circumstances:

6 (1) The property has not been transferred or  
7 conveyed by the purchaser at the tax sale to a bona fide  
8 purchaser for value.

9 (2) The property has not become subject to a bona fide  
10 encumbrance for value subsequent to the recordation of  
11 the tax deed.

12 (b) When the sale of tax-defaulted property is  
13 rescinded pursuant to subdivision (a), the purchaser is  
14 entitled to a refund of the amount paid as the purchase  
15 price after the purchaser executes a rescission of the tax  
16 deed. The rescission shall also be executed by the county tax  
17 collector. The signatures of the purchaser and the county  
18 tax collector shall be acknowledged by the county clerk,  
19 without charge, and the county tax collector shall then  
20 record the rescission with the county recorder, without  
21 charge. When the rescission is recorded, the tax deed  
22 becomes null and void as though never issued and all  
23 provisions of law relating to tax-defaulted property shall  
24 apply to the property.

25 (c) The holder of a tax certificate who received all or  
26 any part of the amount paid by the purchaser shall not be  
27 obligated to make any refund or repayment of any  
28 amount to the purchaser, the delinquent taxpayer, the  
29 county, or any other person. The tax collector may use  
30 amounts on deposit in the Tax Certificate Redemption  
31 Fund to make the refund, but only to the extent those  
32 amounts were paid to the holder of the applicable tax  
33 certificate.

34 SEC. 20. Section 3793.1 of the Revenue and Taxation  
35 Code is amended to read:

36 3793.1. (a) The sales price of any property sold under  
37 this article shall include, at a minimum, the amounts of all  
38 of the following:

39 (1) All defaulted taxes and assessments, and all  
40 associated penalties and costs.

(2) Redemption penalties and fees incurred through the month of the sale.

(3) All costs of the sale.

(b) Where the property or property interests have been offered for sale at least once and no acceptable bids therefor have been received, the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that property or those interests at the next scheduled sale at a minimum price that the tax collector deems appropriate.

SEC. 21. Section 4101.5 of the Revenue and Taxation Code is amended to read:

4101.5. The tax collector may provide notification of the tax defaulted status of the property to the property owner. This notice is in addition to the notification required by Section 2612. The owner shall be liable for the actual costs of the notification.

SEC. 22. Section 4106 of the Revenue and Taxation Code is amended to read:

4106. The certificates, with the money, shall be delivered to the tax collector and he *or she* shall receipt each certificate.

One certificate shall be given to the person making payment and one shall remain in the tax collector's office.

Upon request of the assessor or the auditor, an additional certificate shall be made.

SEC. 23. Section 4112 of the Revenue and Taxation Code is amended to read:

4112. (a) When tax-defaulted property subject to the notice recorded under Section 3691.4 is redeemed, the tax collector shall collect all of the following, in addition to the amount required to redeem:

(1) A fee of thirty-five dollars (\$35) that shall be distributed to the county general fund to reimburse the county for its cost of obtaining the names and last known mailing addresses of, and for mailing notices required by Section 3701 to, parties of interest as defined by Section 4675.

(2) A fee in the amount required by Section 27361.3 of the Government Code that shall be distributed to the

1 county recorder for the cost of recordation of a rescission  
2 of the notice, as required by subdivision (c).

3 (3) A fee of one hundred fifty dollars (\$150) if  
4 redemption is within 90 days of the proposed date for the  
5 tax sale of the redeemed property. In the case of unsold  
6 tax sale properties remaining on the abstract after the tax  
7 sale, the fee shall become a part of the redemption  
8 amount and collectible whenever the property is  
9 redeemed. The fee shall be distributed to the county  
10 general fund to reimburse the county for costs incurred  
11 by the county in preparing to conduct that sale.

12 (b) Notwithstanding subdivision (a), if the  
13 tax-defaulted property is redeemed prior to the proposed  
14 sale, but after the county has incurred notice or  
15 publication costs pursuant to Section 3702 in connection  
16 with a notice of intended sale, a fee in an amount  
17 reasonably necessary to reimburse the tax collector for  
18 those costs may be collected.

19 (c) When tax-defaulted property subject to the notice  
20 recorded under Section 3691.4 is redeemed, the notice  
21 becomes null and void and the tax collector shall execute  
22 and record with the county recorder a rescission of the  
23 notice in the form prescribed by the Controller. The  
24 rescission shall be acknowledged by the county clerk,  
25 without charge.

26 (d) Any fee imposed under paragraph (1) of  
27 subdivision (a) or subdivision (b) shall be subject to the  
28 requirements of Section 54986 of the Government Code.

29 SEC. 24. Section 4803 of the Revenue and Taxation  
30 Code is repealed.

31 SEC. 25. Section 4807 of the Revenue and Taxation  
32 Code is amended to read:

33 4807. No injunction or writ of mandate or other legal  
34 or equitable process shall issue in any suit, action, or  
35 proceeding in any court against any county, municipality,  
36 or district, or any officer thereof, to prevent or enjoin the  
37 collection of property taxes sought to be collected. In the  
38 case of a collection of taxes pursuant to a bankruptcy  
39 proceeding, the county ~~shall be allowed to collect~~ *may*  
40 *request* a reasonable amount of attorney's fees.

1 SEC. 26. Section 4839 of the Revenue and Taxation  
2 Code is repealed.

3 SEC. 27. Section 4992 of the Revenue and Taxation  
4 Code is amended to read:

5 4992. If the tax collector declares property subject to  
6 a power of sale pursuant to Section 3691 and, either (a)  
7 the declaration that the property is tax defaulted is  
8 canceled under Section 4991, or (b) the power to sell is  
9 void because of any error occurring subsequent to the  
10 declaration , then the tax collector, with the approval of  
11 the auditor, shall cancel the power to sell in the form  
12 prescribed by the Controller. The cancellation shall be  
13 acknowledged, without charge, and shall be recorded  
14 with the county recorder, without charge.

15 The fact and date of the cancellation shall be entered  
16 on the abstract or electronic data processing records.

17 SEC. 28. Section 8833 of the Streets and Highways  
18 Code is amended to read:

19 8833. (a) When any foreclosure actions are ordered  
20 by the local agency or legislative body, or when  
21 subsequent installments and interest that are also to be  
22 made the subject of a foreclosure action thereafter  
23 become delinquent, and the foreclosure action is not  
24 commenced and a notice of pendency of action is not  
25 concurrently recorded, prior to the actual removal of the  
26 delinquent installment from the tax roll, the local agency  
27 or legislative body responsible for the foreclosure action  
28 on the delinquent installment shall do one of the  
29 following:

30 (1) Prior to the actual removal of the delinquent  
31 installment from the tax roll, the local agency or  
32 legislative body shall record or cause to have recorded in  
33 the county recorder's office in the county in which the  
34 real property is located, a Notice of Intent to Remove  
35 Delinquent Assessment Installment from the Tax Roll,  
36 which contains the information set forth in subdivision  
37 (b). If action is taken under this paragraph, all of the  
38 following apply:

39 (A) Upon presentation of written proof of the  
40 recordation and a request for removal by the local agency

1 or legislative body, the county auditor shall remove the  
2 delinquent installments from the tax roll. “Proof of  
3 recordation” includes, but is not limited to, a certified  
4 copy of the notice set forth in subdivision (b), or a copy  
5 of the recorded notice containing the county recorder’s  
6 assigned document number, or a copy of the recorded  
7 notice containing a copy stamp from the office of the  
8 county recorder.

9 (B) From the date of the recordation, the county  
10 auditor shall be credited upon the current assessment roll  
11 with the amount charged against him or her on account  
12 of the delinquent assessments or reassessments. If any  
13 person pays the delinquent installment referred to in the  
14 Notice of Intent to Remove Delinquent Assessment  
15 Installment from the Tax Roll to the county auditor prior  
16 to or subsequent to the actual removal of that delinquent  
17 installment from the tax roll, the county auditor shall  
18 forward that payment to the local agency or legislative  
19 body responsible for the foreclosure action.

20 (C) From the date of recordation pursuant to this  
21 section, the assessment or reassessment or installment  
22 thereof or interest thereon, and penalties, costs, fees, and  
23 other charges accrued under applicable statutes, that are  
24 to be collected in a foreclosure action, shall no longer be  
25 collectible by the county auditor.

26 (D) The county auditor, in addition to the costs  
27 recovered in foreclosure, may charge the actual costs  
28 incurred in removing these sums from the tax roll or the  
29 performance of any other related duties as set forth in this  
30 section.

31 (E) Installments, interest, penalties, costs, fees, and  
32 other charges that do not become the subject of a  
33 foreclosure action shall remain collectible by the county  
34 auditor as otherwise provided by applicable law.

35 (2) As an alternative to the notice requirement set  
36 forth in paragraph (1), the Counties of San Bernardino  
37 and Riverside may, simultaneously with the removal of  
38 the delinquent special assessment installment from the  
39 secured tax roll, provide notification on the secured tax  
40 roll that the installment has been removed from the roll

1 for each parcel for which the delinquent special tax  
2 assessment was removed. The notice shall be displayed in  
3 a manner which conveys that the removal has occurred,  
4 and shall include the name and telephone number of the  
5 person or entity to be contacted to receive further  
6 information.

7 (b) The Notice of Intent to Remove Delinquent  
8 Assessment Installment from the Tax Roll shall be  
9 completed and recorded by or caused to be recorded by  
10 the local agency or legislative body responsible for the  
11 foreclosure action, and shall contain all of the following:

12 (1) The name of the local agency or legislative body,  
13 city, or other assessment district responsible for the  
14 foreclosure action.

15 (2) The legal description or assessor's parcel number  
16 of the property affected by the notice.

17 (3) The specific tax year and installment intended to  
18 be removed from the tax roll.

19 (4) The title, address, and telephone number of the  
20 employee, city official, or other authorized official who  
21 should be contacted regarding the delinquent assessment  
22 installment amount.

23 (5) The name of the owner shown on the last equalized  
24 assessment roll.

25 (c) Any local agency or legislative body that removed  
26 or caused to removed a delinquent assessment  
27 installment from the ad valorem tax roll prior to January  
28 1, 1997, shall record, by July 1, 1997, a Notice of Intent to  
29 Remove Delinquent Assessment Installment from the  
30 Tax Roll or shall request the tax collector to retain the  
31 notice of delinquent assessment installment on the tax roll  
32 as set forth in paragraph (2) of subdivision (a). If the  
33 foreclosure action has been filed and a notice of pendency  
34 of action has been recorded in the county recorder's  
35 office prior to July 1, 1997, this requirement does not  
36 apply.

37 (d) All costs associated with the county auditor's and  
38 local agency's responsibilities as set forth in this section  
39 shall be recoverable by the local agency or legislative  
40 body through the foreclosure action.

1 (e) The recording of a notice of pendency of action in  
2 the county recorder's office in the county in which the  
3 real property is located, concurrent with the  
4 commencement of a foreclosure action ordered by the  
5 local agency or legislative body and commenced prior to  
6 the actual removal from the tax roll of the delinquent  
7 installment which is the subject of the foreclosure action,  
8 constitutes compliance with the notice requirements of  
9 this section.

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